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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/711,124	11/10/2000	Murali Ramaswami	05250.00002	6436

28977 7590 07/27/2005

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EXAMINER

BEACH, THOMAS A

ART UNIT	PAPER NUMBER
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3671

DATE MAILED: 07/27/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/711,124	Applicant(s) RAMASWAMI ET AL.	
	Examiner Thomas A. Beach	Art Unit 3671	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on amendment filed 02/25/05.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 48-79 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 48-79 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 48-79 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 48-79 contain phrases like "subgroup (losers subgroup)", "subgroup (winners subgroup)", "first subgroup (low-volume winners), etc which are considered to render the claims vague and indefinite since it is unclear whether a subgroup of any kind or the subgroup winners, losers, etc is being claimed since neither one is being positively recited.

Claim Rejections - 35 USC § 103

3. Claims 48-79 are rejected under 35 U.S.C. 103(a) as being unpatentable over in Lee et al (Price Momentum and Trading Volume, dated August 29, 1999) view of Li 6,832,210. Lee discloses the method of electronically receiving and storing data regarding performance over a selected previous time period of all securities in a selected group of securities; dividing the group of securities into subgroups based on net price performance over the time period, so that one subgroup (winners subgroup) comprises securities with net price performance over the time period greater than or equal to securities in all other subgroups of the group, and another subgroup (losers

subgroup) comprises securities with net price performance over the time period less than or equal to securities in all other subgroups of the group, low-volume winners and high-volume losers, (claims 49 & 65, pages 10-18 of 66, and figures on pages 59-61 of 66); and applying a volume/turnover filter to the winners subgroup and the losers subgroup. Lee does not show the volume/turnover filter is operable to calculate a turnover slope for each security in the winners and losers subgroups and divide the winners subgroup and the loser subgroup into further subgroups according to turnover slope. However, Lee shows a similar computer processor utilized to compile stock data from an exchange in order to be processed into output that creates a portfolio using a computer/processor where a filter, or regression (claims 50 & 66; considered a type of filter), is used to create a slope of a line based on a security (figures 3-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Lee, as taught by Li, to perform the known portfolio analysis techniques, such as creating a turnover filter (disclosed in Lee) to create a turnover slope (Li) using a computer for real time updating, cost effective transactions, monitoring and most importantly implementing a calculatable strategy to optimize profit and minimize losses.

Lee also shows the method of trading a portfolio with low volume winners and high volume losers by holding the low-volume winners long and holding the low-volume winners for specified periods, such as six months (claims 51, 52, 58, 67 and 68; page 11, 1st paragraph; claim 20) and holding the high-volume losers short (page 11, 1st paragraph; claim 21, 23). The groups are selected base on volatility or market volatility,

level of risk and market capitalization (Lee, page 4, 3rd paragraph; claims 59-62 & 75-79) regardless of seasonal trends (claim 63).

Although Lee discloses holding or shorting a particular winner or loser using the momentum life cycle, it is inherently well known in the art of trading to hold stocks long because one may predict they will rise and hold stocks since because one may predict they will lower in price (claims 52-58 and 69-74; page 4, 3rd paragraph; claims 34-36, 39-41, and 44-47).

Response to Arguments

4. Applicant's arguments with respect to the claimed element of a turnover slope being calculated has been considered but are moot in view of the new ground(s) of rejection which demonstrates that this element is obvious.

Conclusion

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

6. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within

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TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thomas A Beach whose telephone number is 571-272-6988. The examiner can normally be reached on Monday-Thursday, 8:00am-6:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Will can be reached at 571-272-6998. The fax phone numbers for the organization where this application or proceeding is assigned are 703.872.9306 for regular communications and 703.872.9306 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703.306.4198.

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Thomas A. Beach

June 23, 2005



THOMAS WILL
Supervisory Patent Examiner
Group 3600